

Message Text

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PAGE 01 RABAT 01817 141740Z

72

ACTION EB-07

INFO OCT-01 AF-06 EUR-12 EA-06 NEA-09 ISO-00 L-02 H-02

AGR-05 AID-05 IO-10 COME-00 TRSE-00 FEA-01 SP-02

NSC-05 CIEP-01 SS-15 STR-04 OMB-01 CEA-01 CIAE-00

FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 TAR-01 PA-01

PRS-01 USIA-06 /119 W

----- 002855

R 141705Z APR 75

FM AMEMBASSY RABAT

TO SECSTATE WASHDC 5144

INFO AMEMBASSY ALGIERS

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CAIRO

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY NEW DELHI

AMEMBASSY NOUAKCHOTT

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

AMEMBASSY TUNIS

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E.O. 11652: N/A

TAGS: EAGR EAID EALR ECEM ECON EFIN EMIN MO

SUBJ: MOROCCAN PHOSPHATE EXPORTS

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PAGE 02 RABAT 01817 141740Z

REF: RABAT 1691

1. IN END-OF -VISIT COURTESY CALL ON CHARGE, IMF TEAM LEADER
DINI CONFIRMED ESSENTIALS REPORTED REFTEL BUT ADDED

IGNIFICANT NEW ELEMENT WHICH EMERGED AS SENIOR ECONOMIC
MINISTERS AGAIN VISITED BY TEAM FOR PRE-DEPARTURE RUNDOWN
OF FINDING. DINI REPORTS PHOSPHATE OFFICE (OCP) AND
FINMIN THINKING HAS NOW PROGRESSED TO POINT WHERE CUT IN

PHOSPHATE PRICES NOW BEING SERIOUSLY CONSIDERED IF DEMAND
SLACKNESS CONTINUES. DINI REPORTS TOP GOM CONCERN IS TO
PRESERVE MOROCCAN SHARE OF MARKET AND THUS UNWILLING CUT PRO-
DUCTION MUCH BELOW CURRENT REVISED TARGET OF 19.5 MILLION MT.

2. EMBASSY ASSUMES FIRST STEP WOULD BE QUIETLY NEGOTIATED
CONCESSIONS IN SMALL INCREMENTS TO TEST MARKET. OCP APPEARS,
ACCORDING DINI, HIGHLY SENSITIVE TO RECOVERING US EXPORTS
AND PRICES. DINI IMPRESSED BY OCP'S CURRENT INTELLIGENCE ON
WORLD MARET CONDITIONS. BELIEVES THAT US PHOSPHATE ROCK SELLING
\$15-20 PER TON BELOW MOROCCAN PRICE WOULD SEEM TO SET FLOOR
FOR CUT, ANNOUNCED OR OTHERWISE.

3. RE PARA 3 REFTEL, ECOUN APPARENTLY MISUNDERSTOOD OR DINI
MISSPOKE REGARDING PROJECTED PHOSPHATE REVENUES. DINI WAS
SPEAKING IN DIRHAMS NOT DOLLARS AND HAD INTENDED SAY DIRHAMS
5.7 BILLION NOT DOLLARS 1.7 BILLION. IN ANY EVENT, IMF TEAM
AGREES, REVISED EXPECTATION IS \$1.3 BILLION.

4. IMF SAYS MOROCCO CAME OUT OF EXAMINATION RATHER WELL.
REVENUE AND BALANCE OF PAYMENTS WILL CONTINUE UNDER STRAIN, BUT
NOT TO EXTENT TO JUSTIFY FUND DRAWING. BUT IN EVENT RAPID
DETERIORATION B/P SITUATION (NOT ANTICIPATED) GOM WOULD BE IN
EXCELLENT POSITION TO REQUEST FIRST TRANCHE ALLOCATION. DINI
REPORTS GOM PLACING HEAVY RELIANCE ON BILATERAL CREDITS AND
COMMERCIAL BORROWING REPORTED RABAT 1641 AND 1760 TO COVER
FOREIGN EXCHANGE GAP.
COON

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Message Attributes

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Disposition Reason:
Disposition Remarks:
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05 JUL 2006

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TAGS: EAGR, EAID, EALR, ECEM, ECON, EFIN, EMIN, MO
To: STATE
Type: TE
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